



COUNTY OF SAN LUIS OBISPO

AUDITOR • CONTROLLER • TREASURER • TAX
COLLECTOR • PUBLIC ADMINISTRATOR

Office of the Clerk-Recorder Cash Procedures & Internal Control Review

October 2014

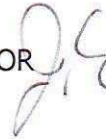
**JAMES P. ERB, CPA
Auditor-Controller
Treasurer-Tax Collector-Public Administrator**



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TO: JULIE RODEWALD, COUNTY CLERK-RECORDER

FROM: JAMES P. ERB, CPA, AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR 

DATE: OCTOBER 28, 2014

SUBJECT: CASH PROCEDURES AND INTERNAL CONTROL REVIEW OF THE OFFICE OF THE CLERK-RECORDER CONDUCTED ON AUGUST 12, 2014.

Our office recently completed a cash procedures and internal control review of the San Luis Obispo County Clerk-Recorder's Office that took place on August 12, 2014

Purpose

The purpose of our review was to determine compliance with the County Auditor-Controller's Cash Handling Policy, to establish accountability for the cash on hand at the time of the review, and to determine compliance with the County Information Technology (IT) Acceptable Use Policy Acknowledgement signature requirements.

Scope

The scope of our review included cash and receipts on hand on August 12, 2014 as well as deposits for the prior three months. Additionally, we reviewed the department's depository accounts and Cal-Card activity. County IT Acceptable Use Policy Acknowledgements signed in the past calendar year were also sampled and examined.

Methodology

We conducted our review in conformance with the *International Standards for the Professional Practice of Internal Auditing*. The International Standards for the Professional Practice of Internal Auditing require that the internal audit activity be independent and internal auditors be objective in performing their work. The Standards also require that internal auditors perform their engagements with proficiency and due professional care; that the internal audit function be subject to a program of quality assurance; and that the results of engagements are communicated.

Our review included physically counting all cash on hand for August 12, 2014 and reconciling the amount to the department's accountability figures. We examined cash receipts and compared the amounts to the corresponding receipts total and to the subsequent deposit. Our review also included an evaluation of internal controls over cash receipts and Cal-Card activity.

Our evaluation of internal controls was limited to inquiries of departmental staff and direct observations.

Additionally we tested for compliance with the County of San Luis Obispo Information Security Program's requirement that employees annually sign the Acceptable Use Policy Acknowledgement form.

Results

We determined all cash funds and cash receipts on hand to be in balance at the time of our count, and employees signed the IT Acceptable Use Policy Acknowledgement form in a timely manner. The department is in general compliance with the Cash Handling Policy.

During fieldwork we identified an area where improvements could be made, and we immediately provided the Clerk-Recorder's staff with suggestions for making the improvement. Suggestions for improvement are made for issues that the auditor considers not to be of an immediate serious nature and/or for issues which the department is able to correct at the time of the audit. Unlike formal audit findings, written departmental responses are not required for these issues. Our suggestion is detailed below:

Suggested Improvements

1. Certification of Cash Handling Policy

Not all cash handling staff had certified in writing that they have read the County Auditor-Controller's Cash Handling Policy. The policy is required reading for all cash handlers, custodians, and managers; however, due to an oversight some staff had not signed the policy. Written acknowledgement by County employees that they have read the policy helps ensure consistent Countywide procedures for cash handling. Subsequent to the end of fieldwork, we received verification that all employees with cash handling responsibilities had certified that they have read the policy.

We appreciate the courteous attitude of your staff and the cooperation we received during the course of our review.